

**DEPARTMENT OF INDUSTRIAL RELATIONS
DIVISION OF LABOR STANDARDS ENFORCEMENT****PAY DAYS**

Wages must be paid according to a regularly set schedule. (Labor Code § 207) When employees work overtime during a pay period, the payment of the overtime wages may be delayed to the next payday. (Labor Code § 204) All earned wages must be paid at least twice a month; on days designated in advance by the employer. Work performed between the 1st and the 15th days, inclusive, of any calendar month must be paid between the 16th and 26th day of the same month. Work performed between the 16th and the last day of the month must be paid between the 1st and 10th day of the following month. (Labor Code § 204) Weekly, bi-weekly or semi-monthly payroll may be paid within seven (7) days of the end of the pay period in which the wages were earned. (Labor Code §§ 204(a), 204(b))

Executive, Administrative and Professional employees may be paid on a monthly basis, providing all of the following conditions are met: (1) employees are not covered by a collective bargaining agreement containing language regarding paydays to be applied; (2) employees are not subject to the Fair Labor Standards Act; (3) employees' monthly remuneration does not include overtime pay; and (4) employees must be paid within seven (7) days of the close of their monthly payroll period. (Labor Code § 204(c))

There are additional payday requirements for employees of farm labor contractors specified in the Labor Code. (Labor Code § 205.5)

RECORDKEEPING**STATEMENT OF WAGES**

At the time that employees are paid, the employer must provide each employee with a written, detachable or separate, itemized statement that contains the following information:

- ❖ Gross wages earned;
- ❖ Total hours worked (if the employee's compensation is based on an hourly wage);
- ❖ All deductions (deductions that are authorized by the employee may be aggregated and shown as one item);
- ❖ Net wages earned;
- ❖ The inclusive dates of the pay period;
- ❖ Name of the employee and his or her social security number;
- ❖ Name and address of the employer (legal entity);
- ❖ The number of piece rate units earned and any applicable piece rate if the employee is paid on a piece rate basis; and
- ❖ All applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee.

These itemized statements must be recorded in ink or other indelible form and a copy maintained by the employer for at least three years. (Labor Code § 226)

RECORDING HOURS WORKED

Employers must keep records in indelible ink of the time worked by their non-exempt employees. This can be done by writing out the time worked or by punching a time clock. The time records must show when the employee begins and ends each work period, as well as meal periods, split shift intervals and the total daily hours worked. Meal periods during which all operations cease and authorized rest periods need not be recorded. (Labor Code § 1174 and IWC Order)

EMPLOYER RECORDS

The employer must maintain employee records in English and in indelible ink or equivalent form. All documents must be properly dated. In addition to the statement of wages, the employer must maintain comprehensive records showing employees' names, addresses, occupations, social security numbers and ages of all minors. At a central location in the state or at the establishment at which the employees work, the employer must keep payroll records showing the hours worked each day and the wages paid to each employee and keep those records for a period of three (3) years. (Labor Code § 1174) Employers are required to permit an employee to inspect or copy records maintained which provide payroll information. (Labor Code § 226(a))

Members of the Industrial Welfare Commission and employees of the Division of Labor Standards Enforcement must be allowed free access to the place of business or employment in order to obtain information or make an investigation. (Labor Code § 1174)

The California Fair Employment and Housing Act (Government Code § 12946) requires employers to maintain all applications, personnel or employment referral records for a period of at least two (2) years after the files are initially created or received. Employers must retain the personnel files of terminated employees for two (2) years after termination and the files of rejected applicants for two (2) years after the rejection. If an employee is required to sign an application, the employer must file a copy of the application with the Division of Labor Standards Enforcement. (Labor Code § 431)